

# HEBDEN BRIDGE PICTURE HOUSE

## STRATEGIC PLAN

2015 – 2018

**We aspire to be ‘the best single screen  
cinema in the country’**

## **1. INTRODUCTION**

### **1.1 Background**

This strategic plan has been produced after approximately 10 months of background work and strategic planning and testing. It is intended to cover the business of Hebden Bridge Picture House from Quarter 3 in the 2015-16 financial year to Quarter 3 in the 2018-19 financial year.

### **1.2 Organisation of the document**

#### **The plan is organised in the following key sections**

Section 2: Basic Business Plan Information

Section 3: Strategic context and current business situation

Section 4: Our Vision and Key Strategies

Section 5: The Leadership of the Business

Section 6: Business Development / Marketing Plan

Section 7: Capital Programme & Operations / Infrastructure

Section 8: Funding Sources

Section 9: Health & Safety

Section 10: Stakeholder Engagement

Section 11: Risk Management

#### **Appendices**

Appendix 1 - Six Key Principles

Appendix 2 - Balanced scorecard from December workshop

## **2. BASIC BUSINESS PLAN INFORMATION**

### **2.1 Title**

**HEBDEN BRIDGE PICTURE HOUSE**

**STRATEGIC PLAN**

**2015 – 2018**

### **2.2 Plan Structure**

Our 2015 – 2018 Strategic Plan will consist of 2 components:

- Strategic Plan main narrative (this document)
- Appendices (supporting documents)

### **2.3 Contact Information**

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### **2.4 Document Control**

Rebekah Fozard & Jason Boom

### **2.5 Professional Advisers**

#### **2.5.1 Bankers**

Co-operative Bank

#### **2.5.2 Solicitors**

Finn Gledhill, West End, Hebden Bridge

#### **2.5.3 Human Resource and Health & Safety**

Howarths Employment Law, Cleckheaton

### **2.6 Legal Structure and Corporate data**

Hebden Bridge Picture House ('HBPH')

HBPH is an unincorporated business 100% owned and controlled by Hebden Royd Town Council ('HRTC')

### **3. STRATEGIC CONTEXT AND OUR CURRENT BUSINESS SITUATION**

#### **3.1 Introduction**

This section highlights the key issues from our past, where we are now and what is happening in the world around us.

#### **3.2 Corporate History, major events and past financial performance**

Hebden Bridge Picture House (HBPH) is a beautiful single auditorium Grade II listed building (Ref: 1379945) in the centre of Hebden Bridge. It is owned and run by Hebden Royd Town Council (HRTC) which has a 125 year lease on the site following an asset transfer from Calderdale Council in 2012. HRTC have successfully operated since 1 April 2012 the site proving its sustainability, financial viability and importance to the local community and are committed to maintaining this unique building and service in the town.

The cinema and its flanking two shop units date from 1921. The front has giant Doric columns and pilasters supporting a deep entablature. The Interior has an original foyer, original panelling and cornice, coved and decorated plaster ceiling. The original staircase to the left leads up to the balcony and the single auditorium retains most of its original classical style decoration. Originally seating 900, the Picture House rapidly became the main place of entertainment for the weavers, mill-workers, and other residents of Hebden Bridge and the upper Calder Valley. The local press in 1921 is quoted as saying the building is "one of the best Picture Houses in the North of England". In today's terms, the building could be considered environmentally-friendly as the local architects, Sutcliffe and Sutcliffe, mostly used local contractors. The Picture House continued to be a thriving source of entertainment well into the war years. In June 1945, Winston Churchill visited New Road and stood on the steps at the Picture House to address the crowds.

In the late 1960s, when many of the mills had closed, the Picture House nearly suffered the fate of so many town cinemas and was very close to becoming a carpet warehouse. It was saved for the town by the actions of the then Hebden Royd Urban District Council (UDC).

The UDC purchased the Picture House from its private owners for the sum of about £6,000. The cinema passed into Calderdale Metropolitan Borough Council's control with local government reorganisation, and after a short period CMBC oversaw a subsequent modernisation in 1978.

In 1999, the future of the Picture House again appeared to be at risk when the site was earmarked for development. A strong community campaign, "Friends of the Picture House", rapidly mobilised and following a mass lobby of the Calderdale MBC full council in July 1999 the development plans were rejected and the future of the Picture House secured. As one campaigner put it at the time, "I speak of "Our" Picture House... it has become part of our heritage."

Since then the Picture House has blossomed as one of the very few cinemas in Britain under municipal ownership. Under enlightened management, audiences have grown. Typically, between 15 and 26 film titles are shown each month across an average of 52 screenings, together with live broadcasts of theatre, ballet and opera, and the programming deliberately caters for all tastes, ranging from mainstream Hollywood to art-house and foreign language films. It is a vital facility for both the young and old.

The Picture House, now seating 490 people, is also used extensively for other community-led and commercial events. Among those using the cinema in recent years have been Hebden Bridge Arts Festival (who use it for their headlining acts), Hebden Bridge Trades Club, BBC, Calder Valley Search & Rescue Team, Calder High School, Scout Road School and Riverside Junior School. The Calder Valley Youth Theatre used it for many years but has now successfully outgrown the venue.

There are many fascinating stories linked to the Picture House. In fact, only recently it was discovered that not only is it one of local poet Simon Armitage's favourite cinemas, it is also where he first encountered Ted Hughes giving one of his recitals.

We believe that the Picture House can create many more fascinating stories and has an exciting long-term future ahead.

#### Financial Summary

HBPH	2014-15	2013-14	2012-13
Turnover	£373,901	£354,074	£304,465
Gross Profit	£177,914	£157,751	£124,438
Administrative Expenses	£139,222	£143,488	£117,908
Other operating income	£0	£0	£0
Operating Profit	£36,765	£14,263	£6,530

### 3.3 Our market context moving forwards

#### Overall UK Context

In 2013, there were 165 million admissions at UK Cinemas, a 4% drop from 2012. The broader trend indicates that UK cinema admissions have been relatively stable for over 10 years, with annual variations (+ or -) within the 165-175 million range.

This translates into UK box office for UK cinema sector of over £1.1 billion, with average UK gross cinema ticket price at £6.54.

The box office is achieved by the 698 films that were released in the UK during 2013, an average of almost 14 new releases each week. Of these the top 100 box office titles account for 91% of the annual box office; the remaining 598 films account for just 9%.

These films were screened in the 756 cinemas operating 3,867 screens in the UK. Of these cinemas, 295 are multiplexes accounting for over 2900 screens, whilst 461 are traditional or mixed use venues, offering a total of 952 screens.

Only 7% of cinema screens in the UK (265 screens across 168 cinemas) regularly show specialised, non-mainstream film. 586 cinemas with 3598 screens show mainstream content.

In Yorkshire and The Humber, there are 270 cinema screens of which 221 (81%) are in multiplexes and 49 (including HBPH) are found in traditional or mixed use venues. Of this total, only 19 screens (7.2%, in line with national average) in Yorkshire show specialised films on a regular basis.

In 2013, cinema exhibitors made £289 million from concession sales, down from £295 million in the previous year; screen advertising revenues also dropped from £83.7 million in 2012 to £79.5 million in 2013.

The largest five commercial cinema operators claimed an 81% share of the box office revenues (Cineworld, Odeon, Vue, National Amusements and Empire) with the top three taking over 70% or £842 million.

62% of the population attend the cinema at least once a year; and 20% at least once a month. Over 80% of 7-24 year-olds attend at least once a year with just short of 40% of 7-24 year olds attending at least once a month.

In relation to socio-economic groups, 23% AB, 22% C1, and 17 % C2 attend at least once a month.

### 3.4 Operational Model

In this wider context it can be seen that the broader operational and programming models for the HBPH are determined by 2 factors: the single screen with which the cinema operates; and the local authority

governance of the cinema which brings with it a 'community'/'independent' identity and defines a set of wider objectives for the cinema beyond financial profit. Also to be considered is the small population of the town and surrounding towns and villages, relative to the large size of auditorium capacity.

There are three operational models open to HBPH as a stand-alone independent cinema with only one screen and a large auditorium.

**(i) The first model is to operate as a commercial cinema, competing to present films on the date of their release.**

In order to secure high end commercial films on date of release, a cinema would normally need to offer the distributor a 14 day run of the film, with several shows each day, and with exclusivity on a particular screen (i.e. the cinema can show only that film on the selected screen). In addition, film hire for certain blockbuster films is increased in the first few weeks of release and can be as high as 60% share of box office receipts on week of release, reducing to 50% in week 3. In return, the cinema benefits from the distributor's high investment in a release campaign, with national and sometimes international marketing and promotion aimed to produce highest awareness of the film at the point of release. Local marketing undertaken by the cinema can be reduced to a minimum, and focused on the fact that the cinema will be showing the selected films, and on show times, ticket booking and so on, rather than promoting and describing individual films.

For a single screen cinema like HBPH, the operational benefits are:

- Showing films as soon as possible, on national release, competing with multiplexes locally such as Vue in Halifax.
- Only considering the most commercially promising films.
- Full impact of the distributor's national marketing campaign and reduced local marketing.

Whilst the risks are:

- Cinema is locked in to a single film for 14 days – reduces programme diversity and compelled to keep film running over this period even if not popular.
- Blockbuster titles can be box office flops.
- Only appeals to core commercial cinema audience – a narrow range of people.
- Cinema pays a variety of higher film hire rates – costs more and more difficult to budget.

We're a small town – can we generate the audiences to make 14 or more screenings of one title viable? HBPH would probably need to add more daily performances in order to secure films so increased staff costs and commitment.

**(ii) The second model is to operate as a second run and repertory cinema, which shows a higher number and wider variety of films in any given week.**

The programme would consist of both commercial films (showing after commercial cinemas), new independently released and art-house titles and classics and older releases, some arranged in thematic seasons or long running programme strands (e.g. weekly children's matinees, late night cult films etc.). The cinema would need to present and promote the programme in calendar blocks (monthly / six weeks / two-monthly) through the cinema's website, print and advertising. Each film would be screened for a maximum of 3-4 days, there might be as many as 6 different films showing in any given week, and film hire would be at 35% or below for all titles.

For a single screen cinema like HBPH, the operational benefits are:

- Programme variety can reach lots of audiences; reduces dependence on single films to meet box office targets in any given week.

- Cinema is in more control of its marketing, and can develop direct dialogue with its audiences.
- Reduced film hire, and easier to forecast film hire costs.
- Greater independence in setting the programme schedule and staffing roster without obligation to add as many performances as possible.

Whilst the risks are:

- Cinema is perceived by wider cinema audiences as one that shows old films.
- Much reduced benefit from distributor's campaigns; so the cinema has to invest in, rely on and resource its own audience development strategies – the onus is on the cinema to reach out to its audiences.
- With this model do the benefits outweigh the risks for HBPH?

### **(iii) A third operating model is a hybrid of these two**

Bringing together as many of the benefits of models 1 and 2 (through programming and audience development), whilst reducing risk factors. A 3rd model would involve the cinema occasionally competing to secure selected films close to release date in order to receive some benefit from the distributor's national campaign and to develop audience perception that the cinema shows new films.

This would require the cinema to ring-fence 7 day periods in the schedule in order to secure target films close to or on release date. Around these periods, the cinema would ensure that a wide variety of audiences were catered for overall by offering a wider range of films showing further away from their release dates.

For a single screen cinema like HBPH, the operational benefits are:

- Occasional close to release date films gives cinema the impact of the distributor's campaign.
- Supports a wider perception that the cinema shows new films, is up to date.
- Programme is more appealing to a wider range of audiences.
- Film hire is much lower than an out and out commercial cinema model.
- Greater independence in setting the programme schedule and staffing roster without obligation to add as many performances as possible.

Whilst the risks are:

- Need to pay higher film hire terms on occasions.
- Still need to invest substantial resources into local marketing and audience development strategies.
- Mixed message to audiences – neither a first run cinema nor a repertory house – audience goes to alternatives.

### **Current operating model**

Hebden Bridge Picture House currently operates somewhere between models 2 and 3. The management are repeatedly given a mandate by cinema customers, via the Councillors on the Picture House committee and the Friends of the Picture House, and from customers, both through survey and regular receipt of feedback to the cinema Manager and Duty Managers. This is unchanged since 2011 when HRTC ownership of the cinema first became a possibility. The cinema's current operational model of blockbuster, art-house, independent, family and retrospective film programming, coupled with live broadcast of theatre, opera, ballet, music events and high culture, adding in community events and hires, is one which serves the town and surrounding community exceptionally well, whilst currently allowing the cinema to remain in surplus and self-funding, permitting both programme and service improvements.

### **3.5 Existing sources of competitive market advantage**

- 3.5.1 With the establishment of the Vue at Halifax, there is on the one hand more local competition for new films and cinema audiences; but on the other hand, the history of cinema development in the UK indicates that multiplexes create substantially more new audience for cinema than cannibalising existing cinema audiences. The arrival of the Vue provides the HBPH with a competitor against which it can develop points of difference in its overall offer.
- 3.5.2 A growing local audience, and ability to create distinctiveness within this changed local market, are the significant factors around which the HBPH needs to develop its programming and marketing. With this in mind, a move towards model 3 will be adopted, with a greater number of titles taken in the early part of release than previously.

### **3.6 The shape of our business currently**

Much should be celebrated, the business is in good shape with retained profit growing over 3 years culminating in substantial investments in digital projection, toilets, floor coverings and auditorium lighting, a planned investment in the foyer area and a current available surplus of in the region of £55,000. Much of this is ear-marked for the foyer and kiosk refurbishment, external renovation of stonework, re-pointing and decoration of the flanks of the building, re-flooring of staff areas, and redecoration of the balcony escape stairs.

#### Achievements 2012-2015

The following are the key achievements of the last few years under the stewardship of Hebden Royd Town Council.

- Community engagement after floods
- Increasing income and profit
- Digitalisation and substantial projection investment
- Substantial investment in more environmentally friendly LED lights for auditorium and foyer
- Live broadcasts now possible and thriving
- Substantial investment in building and toilets
- Increased attendance
- Local jobs – all staff now earning living wage, no redundancies or reductions in hours
- Friends of Picture House support and fundraising
- More inclusive (e.g. Parent & Baby screening)
- Inspiring great support from both the community and local businesses
- Local businesses benefiting from trade
- Retained and improved diverse programming
- Question and Answer sessions organised post films
- Doors still open!
- Using alcohol license more effectively, boosting kiosk trade with selection of products
- No chain retailer – kiosk sources local and Fairtrade produce where possible
- Working hard at resolving staff issues
- Becoming a feature of visitors pleasure in coming to Hebden Bridge
- The bookings policy for all hire enquiries
- Shop units let long term to independent (non-chain) local businesses
- Recycling front of house and behind the scenes now established
- Pop up bar for busy events
- Use of ICO for film programming and advice and support
- Successful Film Hub North funding application
- Marketing Officer and apprentice recruitment (HRTC)

## **4. OUR VISION AND AN OVERVIEW OF KEY STRATEGIES**

### **4.1 Introduction**

This section of the plan is designed to provide a very high level overview of our Vision for the company, together with our key high-level strategies

### **4.2 Purpose / Mission, Vision, Values**

#### **4.2.1 Purpose / Mission (why we are in business)**

We are in business:

To ensure the Picture House has an exciting long term future ahead

#### **4.2.2 Vision**

By delivering on our purpose / mission we will achieve our Vision:

We aspire to be 'The Best Single Screen Cinema in the Country'

#### **4.2.3 How we achieve our Vision**

We will achieve our Vision by helping our customers and ourselves by focusing on our key principles:

- The Picture House will remain a public building.
- The Picture House will seek to maintain employment continuity for staff.
- The Picture House will be run on a not-for-profit basis, in the interest of the whole community.
- The Picture House will remain available for community events.
- The Picture House will maintain its current mix of programming and keep its distinctive ambience.

#### **4.2.4 Values**

In all our dealings we will work in a spirit of:

Local

Friendly

Relevant

### **4.3 The Markets we serve**

We have **FOUR key areas** of high-level market focus:

#### **4.3.1 Cinema Audience**

The Picture House has a loyal local following from all sectors and an audience reach that extends outside the Calder Valley. On average 4350 people attend the cinema every month.

#### **4.3.2 Community Groups**

The Picture House is used by local groups including schools, community groups, amateur dramatic organisations and local festivals.

#### **4.3.3 Commercial Hires**

The Picture House has the capacity to increase its use for live music, comedy, corporate events, private parties and small theatre productions.

#### **4.3.4 Friends and Funders**

The Friends of the Picture House is a voluntary group that represents everyone who uses the Picture House. Its elected committee meet regularly to consider what its 618 members want from the Picture

House and how the Friends can ensure that the cinema continues to thrive. Two members of the Friends attend the Town Council's Picture House management committee meetings to ensure that the views of the cinema-goers are well represented within the governance of the cinema.

The Picture House to this day has not relied on sources of external funding except for grants made by HRTC for discrete capital projects such as toilet renovation.

We are working alongside the Friends to develop screenings which appeal to that group in order to develop their membership offer.

#### **4.4 Geographic Focus**

The Picture House serves not just Hebden Bridge but the whole of the upper Calder Valley. Its users spread beyond West Yorkshire into Lancashire and North Yorkshire and across into the large cities of Bradford, Leeds and Manchester.

The population of Calderdale is 203,800 (2011) with almost 50% living in Halifax and on current trends is expected to rise to 216,500 by 2018, with those aged 65+ growing rapidly.

#### **4.5 Key Strategic Drivers of our business**

Against the above market background and company position, we have robust and specific objectives in the following business areas which we believe are key to our future success:

**Quality Programming and Quality Hires**

**Fabric of Building and Distinctive Atmosphere**

**Kiosk Sales and Advertising**

#### 4.6 Key market segments and their needs

At the highest level, our key target market segments and our key offers will be orientated around the following key market needs:

Major segment	Major Theme / Needs
Cinema Audience	<p>Consistent and good quality programme with accurate information via brochure, internet and social media.</p> <p>Excellent picture and sound</p> <p>Warm, clean, quiet and safe environment</p> <p>Minimal Queuing / Appropriate Staffing</p> <p>Fabric of the Building and Distinctive Atmosphere Maintained</p> <p>Price</p> <p>Quality, distinctive products at Kiosk</p> <p>Home comforts – cups of tea, home-made cake</p> <p>Excellent legroom within stalls</p>
Community Groups	<p>Swift response to enquiries</p> <p>Accurate information, reliable equipment and competitive pricing</p> <p>Encouraging manner and helpful staff and a point of contact to liaise with</p> <p>Proactive technical support</p> <p>Warm, clean, quiet and safe environment</p>
Commercial Hires	<p>Swift response to enquiries</p> <p>Accurate information, reliable equipment and competitive pricing</p> <p>Encouraging manner and helpful staff and a point of contact to liaise with</p> <p>Technical support</p> <p>Size of venue and gap in market in the town</p> <p>Warm, clean, quiet and safe environment</p>
Friends and Funders	<p>Willingness to listen to helpful and valid ideas and suggestions</p> <p>Regular and productive meetings to keep engaged and made to feel valued and appreciated</p> <p>Encouraging manner and helpful staff and a point of contact to liaise with, a good relationship with the Manager</p> <p>Cultural Programming</p> <p>Community asset</p>

## 4.7 Products and Services to meet market needs

### 4.7.1 Cinema Programming

All cinemas need to have someone who puts together a programme which fits with the aims of the cinema and books films directly from distributors. Even in the commercial sector, multiplex chains have small centralised teams of film buyers to negotiate film hire with all the distributors. HBPH has a few options:

- To programme and book films with an in-house programmer.
- To contract with a commercial cinema company for programming and film booking services.
- To contract a freelance film booker.
- To contract an independent programming and booking service (e.g. the ICO).
- To develop an 'open source' programme with a large number of people contributing programming ideas.

Most film bookers/freelance programmers will have access to films before release, so will have advanced knowledge of the film, how it will be positioned, target audiences and marketing spend which informs their choices for any specific cinema. All film bookers/freelance programmers will have established contacts with all the distributors. The first four options above all involve the cinema 'buying in' industry expertise and networks to deliver the programme.

In this context, the Hebden Bridge Picture House currently uses The Independent Cinema Office (ICO) for the following reasons:

- ICO works closely with the venue to develop a bespoke programme for the cinema – does not treat the venue as part of a chain. Close liaison with the Manager to accommodate hires, live broadcasts and our own suggestions.
- ICO has agreements with some distributors to maintain film hire rates at 35% even on some premium rate titles.
- ICO has better data on rights and materials so is more able to source older and rare films.
- ICO programming team has over 100 years collective experience in programming and film booking, and especially collaborating with venues that have cultural and educational as well as commercial aims.
- ICO programming team works with venues to develop audience development strategies.
- Venues have free access to ICO Screening Days, thrice yearly preview sessions.
- ICO annual fees are generally lower than comparable commercial operators as ICO receives BFI funding to support regional specialised film exhibition. Much cheaper than employing an in-house film programmer.
- Continuity of service through annual leave / sickness absence – the small team look after each other's workload during absence, ensuring total continuity for the Picture House.

HBPH have been working in partnership with the ICO since July 2014. The Manager and ICO liaise constantly on the program, to develop and diversify it, and to understand the unique audience at the cinema.

The program at HBPH is seen as one of its unique selling points and is pivotal in its current success and distinctiveness. In the last year 51,896 people attended the cinema accounting for almost £260,000 in ticket sales.

#### 4.7.2 Elevenes Screenings

This screening on a Thursday at 11am continues to be a success with it being well-established in people's diaries and has developed a very loyal audience with regular attendances over 150.

#### 4.7.3 Family Screenings

These continue on Saturdays and Sunday afternoons and are generally well-attended weekly events considering the competition faced by the local Vue in Halifax. Young people (teens particularly) are currently the most difficult market for the cinema to penetrate.

#### 4.7.4 Parent and Baby Screenings

These monthly Tuesday screenings at 11am are a benefit to the local community and will be continued. Audience figures and mailing list continues to grow and is a great way to promote the cinema to young families while also offering valuable respite and a comfortable environment for parents and carers with babies. Those with young families often forget about visiting the cinema, so this opportunity re-establishes connections with parents, and hopefully develops a new generation of cinema-lovers.

#### 4.7.5 Alternative Content / Live Broadcasts

In recent years, there has been a boom in the alternative content market, however there are risks of the market being flooded so care needs to be taken when the Manager works with the ICO to determine which content should be booked. Internal analysis has shown that in just over two years over ten thousand people have attended a live broadcast bringing in over £54,000 of net revenue (after estimated staff costs), making this a very important product for the Picture House.

#### 4.7.6 Live Events

The cinema can host theatre productions, live music and comedians and is used regularly by organisations including the Hebden Bridge Arts Festival to sell out audiences.

The cinema is the only venue in Hebden Bridge that can seat almost 500 people. It is recommended that it exploits this unique selling point. This could be a lucrative area not only in rental income but also bar income. Nevertheless, growth in this area can be hampered by the current state of its in house lights and sound, and by the skillsets and time limitations of the Manager, the Marketing Officer and the Technician, since these events can expend a great deal of organisational time.

#### 4.7.7 Kiosk

The Kiosk shows a solid contribution of £60,000 to income for the Picture House and its profit reflects a level to be expected given the goods on sale. The kiosk stock is regularly reviewed to update choice, introduce new lines, and ensure a healthy profit margin for all stock lines.

#### 4.7.8 Community Hires

The Picture House is very popular with schools including Scout Road and Riverside for their annual school productions.

However, this is also limited by the limitations and age of the current in house sound and light facilities. If there is investment in resource and infrastructure there is a market for increased revenue in the catchment area.

Private screenings can be popular and utilise the cinema during down time - this should be another growth area.

The fundraising events for Calder Valley Search and Rescue generated a sell-out audience and should be used as a template to generate more opportunities.

#### 4.7.9 Advertising

New technology has enabled the delivery of the Pearl & Dean contract to be very light touch. This is an important revenue stream for the cinema and has increased again recently.

Further community sales including the Calderdale Adoption Services provide regular extra revenue by paying for slides at the beginning of the screenings and provides a valuable and relevant community public information service. The Pearl & Dean contract currently limits sale of the pre-film on screen time to other (local) businesses. This is a typical limitation once a marketing body such as Pearl & Dean are engaged. However, the time pressures on the Manager and the Marketing Officer are such that the Pearl & Dean contracts represents the best value source of advertising income since there is little in-house involvement in the content reaching the screen, and the income reaching the cinema's Bank Account.

#### 4.7.10 Picture This

Picture This is the membership of the Hebden Bridge Picture House. The scheme was revamped in January 2013 which saw a surge in membership, since when numbers have remained steady. Income remains consistent at approximately £4,500 but with improved service and marketing and a possible family membership, there is scope for a modest increase. Live Broadcast tickets are now within the scope of ticket discounts afforded to Picture This members.

#### 4.7.11 Rental Income

The two units are another consistent income generator for the business and the current tenants, Valley Hire and The Milk Bar seem to have a steady and growing trade.

#### 4.7.12 Corporate Hire

The cinema is hired out on an ad hoc and reactive basis. A recent successful hire from the BBC with private bar proved that the building has huge opportunity in this area. The client was delighted with both the surroundings and the staff. Again, this would require investment in resource (both personnel and IT / tech infrastructure) and a proactive approach.

#### 4.7.13 Bar

Analysis has been undertaken on the use of the pop- up bar. This can be very lucrative when used at a relevant screening and event. Draft beer is not advisable since it is costly in terms of set-up and take-down time and wastage of product due to the infrequency of bars. Canned craft beers represent an opportunity in terms of the speed of selling a product that can be taken directly in to the auditorium, unlike glass bottles. There are some issues surrounding the staffing of the bar and it is recommended that all Ushers and Duty Managers are trained and equipped to set the bar up and manage it for a shift. A further review of the bar should be undertaken.

#### 4.7.14 Heritage Open Days

The cinema currently opens its doors once a year to celebrate the heritage of the building and film projection. The Manager undertakes three tours of the building. This is incredibly popular, especially the visit to the projection box.

### 4.8 **Routes to Market – Channel / Distribution strategy**

Both from a business design philosophy and because of the current internal resource constraints and risk management, we will seek to leverage our sales and marketing relationship development by:

- Strategic partnerships which can provide access or other resource to develop business
- Focused and active management of audience and stakeholder connections
- Focused and managed partnership of Friends of the Picture House

These channels will be individually managed.

#### 4.9 Key Strategies to build sustainable competitive advantage

We will build upon the existing competitive strengths identified earlier with an increased focus on:

- Engaging / collaborating for mutual benefit with experienced and established organisations (e.g. community groups) who may otherwise become competition
- Increased marketing, building audience and mailing list numbers and quality of engagement to support all business areas
- Driving up the quality of product, delivery and earnings on core areas of business
- Securing active and focused engagement from key stakeholders

#### 4.10 Leadership, Governance and Risk

We already have an able and focused committee. Further skills analysis and regular good practice board review and development are recommended.

The business is directly managed by the Manager, who was engaged in 2012 by HRTC to work on a part-time basis.

#### 4.11 Overview of Financial Forecasts

The following table provides an overview of high level key financial drivers on the income side, in terms of projected revenue per annum from each of our main income sources.

	<b>Year 1 (2015-16) (£)</b>	<b>Year 2 (2016-17) (£)</b>	<b>Year 3 (2017-18) (£)</b>	<b>Notes</b>
<b>Attendance (<u>not</u> £)</b>	52,500	54,500	57,500	
<b>Cinema Box Office Net Takings</b>	225,500	234,500	244,000	2014-2015 saw £220,660
<b>Alternative Content Net Takings</b>	54,200	56,400	58,600	
<b>Hires Income</b>	8,400	8,750	9,100	
<b>Rental Income</b>	15,000	15,000	16,500	
<b>Kiosk and Bar Income</b>	70,000	75,000	80,000	£64,000 in 2014-2015
<b>Picture This Income</b>	5,000	5,500	6,100	
<b>Advertising – P&amp;D</b>	12,500	13,750	15,125	
<b>Advertising – Others</b>	1,650	1,815	2,000	
<b>Conferencing</b>	0	0	5,000	Investment by year 3
<b>Revenue total</b>	<b>392,250</b>	<b>410,715</b>	<b>436,425</b>	

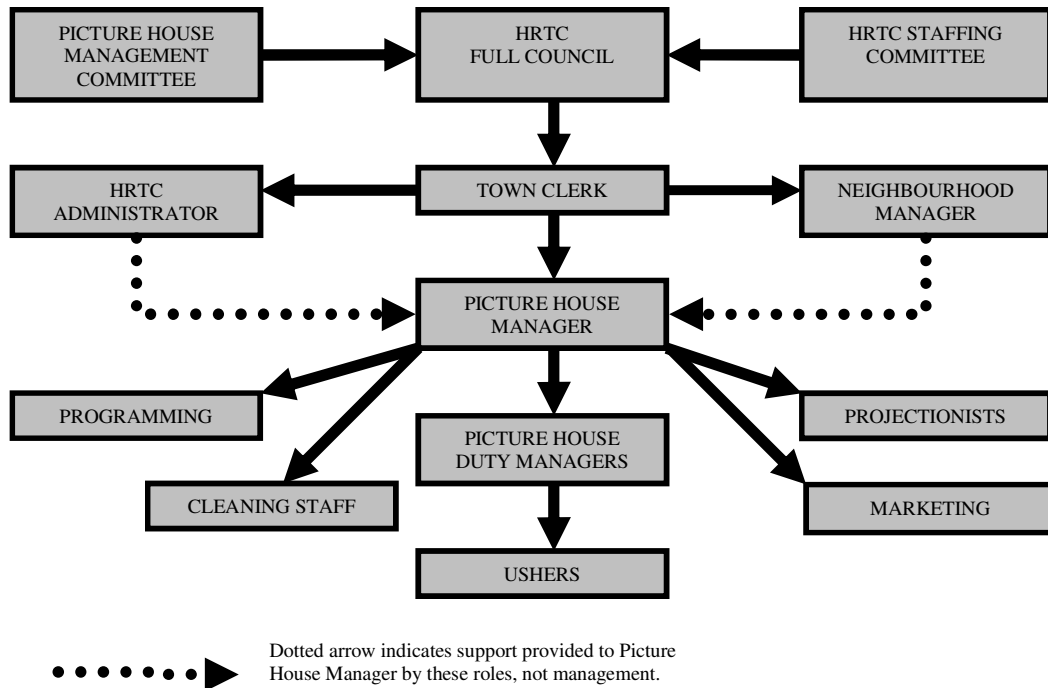
## 5. LEADERSHIP OF THE BUSINESS

### 5.1 Introduction

This section describes the key ways in which our business is governed and managed.

### 5.2 Organisational Structure

Organisational Structure of Hebden Royd Town Council incorporating Hebden Bridge Picture House.



### 5.3 Corporate Structure

The Picture House is a 100% owned trading entity of Hebden Royd Town Council. The business has a community benefit and profit focus, where profits are re-invested back into the business and when a certain level is reached transferred back to the parent council, which is described as being a ‘not-for-profit’ business.

### 5.4 Governance objectives

The council is committed to best practice in governance and leadership of the business.

### 5.5 Governance processes

The Picture House Committee meets formally a minimum of four times a year and reports back to the full Council which meet monthly.

In addition to the regular committee meetings, the committee meets separately for strategic planning “away days/workshops”.

The Staffing Committee that governs staffing needs both the Council and the Picture House meet four times a year.

### 5.6 Board membership

The Picture House Committee has a membership made up of the Town Mayor (ex-officio), 6 councillors, 1 representative of the Hill Top Parishes, Picture House Manager, and 2 members of the Friends of the

Picture House. This management committee reports direct to Full Council. Recommendations endorsed by Full Council are transmitted to the Picture House Manager via the Town Clerk and then implemented.

As noted above, the business is committed to having strong leadership. It is recommended that the Committee be comprised with a diversity of strengths, skills and perspectives but with a shared spirit.

## **5.7 Executive Leadership**

The Picture House Manager in addition to the Town Clerk forms the senior management team of the Picture House.

The Picture House Manager can make decisions within budgets limits as outlined in the annual budget reviewed monthly with the Town Clerk, who acts as the Picture House Manager's Line Manager.

Hebden Royd Town Council provides additional project management support through the Town Clerk, the Neighbourhood Manager and the Administrative Support Officer as required.

Sales and purchase ledger management are provided by the Town Council through their core administration function following the standing orders adopted by the council.

Salaries are administered in the same way but with the Hebden Royd Town Council Staffing Committee making recommendations relating to staffing for consideration by Full Council.

The Picture House Manager is responsible for the direct line management of programmer (whether employed or out-sourced), projectionists, marketing, duty managers, ushers and cleaning staff.

### **5.7.1 Recruitment and Succession Planning**

There is currently no recruitment planned. Any future recruits will be recruited to clearly defined roles and will be subject of a business case.

As noted in the risk section of this plan, the organisation recognises its exposure to the Manager, and appropriate Key Man and Income Protection insurance are recommended.

### **5.7.2 Training**

The business is committed to the development of its people and each permanent member of staff will have a personal development plan agreed.

### **5.7.3 Recommendations**

It is recognised that the current staffing structure is not completely adequate for the safe and successful delivery of the business and certainly not to deliver the ambitions within this plan. The following are recommendations that should be investigated by the committee.

1. Manager – It is recommended that an increase in the hours of the Manager (currently contracted on 28 hours per week) be considered over the life of the business plan, with a salary reflecting the responsibilities, ambitions and challenges of the business. The recruitment of a part-time Deputy / Assistant Manager to support the Manager in key aspects of the running the business should be actively considered.
2. Projection – There are difficulties with there not being a clear lead position in the projection department and it being split across two 25 hour roles. This causes communication issues and tensions. Additionally 50 hours per week is arguably now too much provision for this department now that automation within the projection booth exists. At the next natural opportunity to rationalise this department, when one of the two permanent roles is vacated, it is planned to recruit a Projection Manager / Head Technician, with this role having a more strategic emphasis, with greater responsibility for marketing assets and department supervision.
3. Duty Management and Ushers – There are a large number of staff compared to the shifts available and some personnel doing 3 hours per week or just 2 shifts per month. This causes difficulty with

communication within the building. It is recommended that there be a core team of contracted staff, with recruitment to permanent roles internally is being considered as a first priority. Although everyone is paid the living wage, this can be overshadowed by the use of casual contracts – although we guarantee no hours to our casual staff, they guarantee no availability to us, which can often result in no staff being available for a given shift.

4. Events Team – There is a gap within the resource and equipment on site to successfully and professionally deliver more festival events, corporate hires, community hires, music and comedy shows. A future member of the projection team, recruited to replace an exited role, who had both the technical and events management skills, could be employed on an as-needed basis to assist the Manager is preparing for and running live events in addition to providing technical and projection support year round. Future recruitment into the projection team should consider these skills essential.
5. Fundraising – There are limited funding opportunities to the business. Those that are available to a non-charitable business (which is part of a local authority) are not taken advantage of due to lack of available resource. Investment in fundraising resource and the development of a fundraising strategy could be pivotal in the delivery of the full ambition of this plan, and ought to be considered, once day-to-day support for the Manager has been resolved. That the cinema is not a registered charity may inhibit some streams of fundraising revenue, but at present there is not enough time resource to undertake even basic research to understand where fundraising might succeed for the Picture House.

## 6. BUSINESS DEVELOPMENT / MARKETING PLAN

### 6.1 Introduction

This section is designed to provide detail of some of the specific strategies being used to deliver the current business. A new marketing strategy will be completed once this plan is adopted.

### 6.2 Where we are now

Identified by SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis and current key financial and audience figures.

#### Hebden Bridge Picture House - SWOT Analysis - Committee shortlist

<b>STRENGTHS</b> <ul style="list-style-type: none"><li>• Community engagement / support</li><li>• Specialist programming/demographics</li><li>• Public ownership (not for profit)</li><li>• Successful trading</li><li>• Digitalisation</li><li>• Broad appeal programme</li><li>• Flexible and adaptable staff</li><li>• Unique experience / cinema environment</li></ul>	<b>WEAKNESSES</b> <ul style="list-style-type: none"><li>• Queuing / staff shortages</li><li>• Historic under-investment in the fabric of an historic building</li><li>• Limitations of circulation space for retail opportunities / concession income</li><li>• Being a large seating capacity single screen venue</li></ul>
<b>OPPORTUNITIES</b> <ul style="list-style-type: none"><li>• Conferencing / down time hires</li><li>• Working in collaboration with other local venues / businesses</li><li>• Improve concession sales</li><li>• Traditional box office outside</li><li>• Differentiation of customer experience</li></ul>	<b>THREATS</b> <ul style="list-style-type: none"><li>• Wider economy</li><li>• Competition (cinemas, gigs, home movies)</li><li>• Power of distributors (limited terms on which content can be booked)</li><li>• Large capital required to improve building</li></ul>

### 6.3 Where we want to be

#### 6.3.1 Strategic Business Plan development

We conducted a structured development process over the six-month period leading to production of this plan. Key activities included:

- Appointment of an experienced strategic consultant to assist in development of the project
- Background and desk research of key issues in the market place throughout the programme
- Consultation with key stakeholders and clients on both a structured and informal basis
- Planning workshop involving the Management Committee and an experienced facilitator

#### 6.3.2 Product Development

To achieve the growth in turn over, profit and audience our key focus in this period will be to investigate the following key priority products. The key products and development issues are:

##### (i) Utilising empty programming slots

An objective is to uplift cinema ticket sales from £250,000 to £275,000. This can be achieved by opening up empty slots particularly the Saturday teatime slot (and also Friday matinee and early evening) by targeting to increase attendance by 100 a week in these slots within 3 years. The Saturday teatime slots has now got a fully developed programme so there will be monthly screenings of Classics (commenced

August 2015, initially supported by Staying Well funding), Transgressive / Cult film ('Surreal Reels' commencing October 2015 and supported by a Film Hub North Grant), Friends screening (commencing December 2015 and showcasing the support of the Friends of the Picture House) and 35mm films projected using our old projector (commencing in February 2016).

Additionally, it is entirely feasible to open for two or three screenings on a Friday rather than the one e.g. matinee, early evening and late screening.

#### (ii) Film Festivals

The creation of a stand-alone film festival and the marketing focus this generates has long been an aspiration of the Picture House. Thanks to funding from Film Hub North, the launch of the Surreal Reels monthly screening is by way of a day long Halloween Film Festival on 31 October 2015, which is already generating a buzz about the cinema.

The cinema partners with the Into Film Festival ([www.intofilm.org](http://www.intofilm.org)) annually in November. The IFF offers free screenings of hand-picked films to school age children at all key stages of the curriculum. The Into Film Festival aims to put film at the heart of children and young people's learning, contributing to their cultural, creative and personal development, and to build a future audience for cinema.

An Adventure Sport Film Festival would cater for a niche market but a growing one in the South Pennines. The cinema already partners with the Walk and Ride festival (<http://www.walkandridefestival.co.uk>) each September, has hosted three Mountain Bike Film Nights with Singletrack Magazine. The Picture House is has arranged to hire the cinema to the Banff Film Festival (<http://www.banff-uk.com>) who sell out Leeds Town Hall over two nights every year, for a one night short adventure film festival taking place in April 2016.

#### (iii) Hires

An area untapped by the business due to barrier of hire costs are private screenings for personal celebrations including Birthdays or Anniversaries. It is recommended that this is investigated as a revenue generator especially during down time and priced accordingly, with a 'one-price-fits-all' package to accommodate a certain number of building users wishing to see a digital film available for a fixed price fee.

The spaces in the cinema during the day could be utilised for conferencing from Board meetings to presentations from businesses to political parties – a small amount of technical investment would be needed as well as resource to develop a package that included local caterers.

#### (iv) Families & Schools

A family ticket has been introduced (in September 2015) and Picture This family membership is being looked into.

The cinema is currently widely used by local schools. It is recommended that the Picture House liaise with all schools in the catchment area to produce educational activity that can also act as a route to cross sell other products. A timeframe could be established to look at education provision as a whole and an education strategy be developed which includes looking at audience development rather than fixing set programmes and to widen participation and understanding of the cinema to schools. Again, support for this could be from Film Hub North.

#### (v) Merchandising

Marketing have identified various merchandising products including tote bags and mugs that might help with further income potential and brand development.

### 6.3.3 Business Development process

The business is in the fortunate position, both from its own historical activities, and moving forwards, that

it has access to a large database of existing and prospective audience members and customers. However the database currently comprises little more than names and email addresses, since we do not use a computerised booking system. Development of a database that is more intelligent will only occur at such time as we introduce a more heavyweight box office process than we use at present. Moving to such a system however actually has its own disadvantages.

#### 6.3.4 Key targets

Within the broad framework outlined earlier in this plan, our key focus will be to:

- Inform existing clients and connections of key developments in our business and secure their commitment
- Target major “name” companies from both business and community who will endorse or support our strategy – and buy our services
- Ensure programming is first class
- Continue the development of our approaches to audience, friends, funders and customers

#### 6.4 **How we will get to where we want to be**

We need to demonstrate the value and impact of current marketing investment by focusing on SMART objectives that can be clearly measured to generate sales, advertising revenue and brand awareness. Our objectives are to ensure

##### 6.4.1 Current marketing processes and procedures are effective.

Create monthly brochure within specified deadlines and ensure effective distribution of the brochure.

Working with the designer, programmer and HBPH staff to ensure the monthly brochure is created by the 20<sup>th</sup> of each month, if not earlier. This depends on the programming schedule, and staff attendance for proofreading and feedback.

##### 6.4.2 The website is up to date, current and informative with films, live broadcasts and other products.

Content is added to the site by the Marketing Officer each month once the final programme has been signed off. There is a proofing procedure in place and in the future updates should be aimed to be done by HBPH staff directly.

Considering that 3 years ago the cinema did not have its own website, the current site is a fantastic marketing tool but it is recommended to be reviewed to ensure the platform is doing everything that the business now needs.

##### 6.4.3 Electronic Newsletters are distributed to subscribers throughout the month and subscriber numbers are increased

The monthly programme newsletter is sent out 3-5 days before the end of the month.

The Live broadcast newsletter is sent out in the middle of the month.

The Parent & Baby e-newsletter (different list) is sent out at the end of the month.

Main list: 1483 subscribers in August 2014 increased to 2,258 subscribers by October 2015.

Parent & Baby list: 69 subscribers in August 2014 to 172 subscribers in October 2015.

##### 6.4.4 Engagement of customers on social media platforms is increased

Due to the printed brochures arriving earlier ahead of the start of the new film month, social media activity can now be planned in advance to create momentum. A weekly social media activity email is sent out at the beginning of the week to inform HBPH staff of all activity, and to welcome their input.

**Current stats for the HBPH:**

- Facebook likes: From 1,012 (Aug '14) to 1,668 (October '15)
- Twitter followers: From 1,536 (Aug '14) to 2,229 (October '15)
- Trip Advisor: 84 reviews - rated 5 out of 5.

There has been a steady increase of followers on both social media sites (roughly 50 per month) however, this needs improving to help us achieve our goal of being the best single screen cinema in the UK.

Our competitors are as follows:

**Home (formerly The Corner House), Manchester:**

Facebook: 15,770 likes

Twitter: 24.9k followers

Trip Advisor: 44 reviews – rated 4 out of 5

**Hyde Park Picture House, Leeds:**

Facebook: 9,437 likes

Twitter: 12.3k followers

Trip Advisor: 259 reviews – rated 5 out of 5

**Rex Cinema Elland:**

No social media pages

**Keighley Picture House:**

Twitter: 985 followers

**Plaza Cinema, Skipton**

Facebook: 329 likes

6.4.5 We maximise press coverage in the region and beyond

Online listings are beginning to be updated on the following sites and will continue to be updated and developed each month (live broadcasts, P&B, and special screenings) after the brochure is signed off.

6.4.6 We create and distribute all marketing materials ahead of time in-house, and throughout the community and beyond

This includes promoting our family film schedules for the school holidays by producing and distributing flyers to all primary age children in the locality via school book bags.

6.4.7 We work to increase audience numbers and spend per head at cinema

6.4.8 We increase the efficiency of the website and our social media activity

6.4.9 We endeavour to increase in-cinema advertising; including Foyer advertising, Quad advertising and Brochure advertising.

6.4.10 We increase distribution of the programme (print) within the region and beyond, utilise free listings more effectively and increase newsletter subscribers.

## **7. CAPITAL PROGRAM AND OPERATIONS/ INFRASTRUCTURE**

### **7.1 Introduction**

This section therefore provides an overview of the key operational and infrastructure issues as they exist now, together with our current view of likely future requirements in the current plan.

### **7.2 Physical Location**

The business is currently located in a grade II1 listed building in the centre of Hebden Bridge.

### **7.3 Buy considerations**

Hebden Royd Town Council has the benefit of a 125 year lease on the building at a peppercorn annual rent. There is currently no plan to attempt to buy the Freehold, although a previous request to do so was made by HRTC, and rejected by CMBC.

### **7.4 Capital Program undertaken**

In the last 3 years there has been substantial investment and the following capital projects have been undertaken.

#### **7.1.1. Digital Projection**

Following a £50,000 investment to futureproof the cinema the Projection department was completely digitised, including, Digital projector, lamp, and lens, play out server, uninterruptable power supply unit, automatic interface, router for remote connectivity, Dolby auto processor, alternative content switcher, cables, connectors, pedestals and installation.

#### **7.1.2. Toilets**

The poor condition of the auditorium toilet facilities, both upstairs and downstairs was a priority and identified as such in the public consultation. £20,000 was invested in completely refurbishing the toilets and improving the disabled toilet facilities.

#### **7.1.3. Auditorium Lighting**

£10,000 has been invested in the main auditorium lights. These are new LED bulbs and are substantially more energy efficient and require less dangerous changes by external contractors.

#### **7.1.4. Auditorium Flooring**

£11,000 has been invested in replacing the potentially dangerous floor coverings in the main auditorium.

### **7.5 Quality and Control Plans**

In line with our commitment to business excellence, we will assess our approach to, and improvement of, operational and infrastructure issues.

These will be reviewed monthly by the Manager and Town Clerk and reported on separately to the committee meetings.

### **7.6 Maintenance**

A generous allowance is made available each year to ensure the building and its fixtures and fittings are well maintained, safe and in good working order.

### **7.7 Building costs**

General running costs including rates, utilities and services are regularly reviewed by the Manager and the Town Clerk to ensure cost effectiveness.

### **7.8 Proposed Capital Projects**

In line with the way that the cinema is financially managed as a Not for Profit, the surplus that is made can

be re-invested in the business and its buildings.

The following are proposed Capital Projects in discussion.

7.8.1. Foyer and Kiosk

£25,000 has been agreed and committed to upgrade the tired looking foyer, kiosk area and stairs to the balcony entrance alongside a further £2,500 pledged from the Friends of the Picture House.

A designer has been engaged to provide a design scheme for the area. Care is being taken to ensure the design does not drive the project, and that usability of the space for staff and customers remains at the forefront of the upgrade.

7.8.2. Ticketing Systems and Credit Card Machines

A survey was undertaken with the public in October 2015. Over 600 results were received. The survey was needed to assess the appetite for the addition of card payment facilities and a computerised box office allowing advance booking for tickets for films. The current position of cash only, payment on the door has its advantages, particularly as 'selling out' is a rare event for the cinema in the course of its usual cinematic presentation. The results of the survey and proposed next steps were reported to the Management Committee in October 2015, and the status quo is being maintained. It was recommended that a two year review of the situation be conducted by the Manager in autumn 2017.

7.8.3. Accessibility

HBPH and HRTC have conducted an audit of the building with the CMBC Disability Access Officer and we have now, with the assistance of Staying Well funding, been able to act on the findings of the audit, and make the recommended improvements to the building and the site.

7.8.4. Front stonework

The stonework at the front of the building is tired and needs repairs. A recent approach to the Heritage Lottery Fund was unsuccessful but remedial action is now underway, dealing with the urgent repairs.

7.8.5. Fire Alarm System

The present fire alarm system was installed in 1999/2000 when the cinema operated in a pre-digital era with no office computers, no digital projector, and fewer electronic items in situation. It currently is a non-addressable system (meaning an alarm event is not narrowed down to the source of the fire), and there are presently only 10 smoke detectors for the whole building, with none in the manager office or foyer. A Fire Risk Assessment conducted in 2015 recommended the urgent installation of three more manual break glass 'call points', in addition to automatic projection shut down and house light automatic switch on capacity when the alarm was triggered. Finally, the pager system, to alert staff to the alarm having been triggered prior to the PA system alerting the audience is failing, with only 2 of the 6 pager units now working.

An urgent replacement of the system is needed with a new addressable system being installed, with projector connections, additional call points, a new pager system and 8 pagers, magnetic locking of the escape doors (removing the need for padlocks and chains) and additional detection equipment in main spaces within the building. This is an immediate capital investment requirement of the Picture House, and the Manager is working on an appropriate specification for a new fire alarm system against which to obtain quotations.

7.8.6. Stage

Investment is required is to revamp the stage equipment. Significant Health & Safety issues identified by a 2010 safety audit by Calderdale Council identified the following:-

- (i) Auditorium stage lighting positions

Access to the stage lighting positions on each side of the auditorium has been highlighted as an issue for a number of years. Access using a ladder is not satisfactory and it would be virtually impossible to comply with The Working at Height Regulations (2005). The use of scaffold towers has been tried but this is not without its difficulties due to the sloping floor, fixed auditorium seating and lack of storage space.

(ii) Stage lighting installation

It is likely the stage lighting system was installed in the late 1970's. The system appears to have worked incredibly well over the years and appears to have required very little maintenance. There are elements of fixed wiring between the dimmers and socket outlets on lighting bars that does not appear to have been tested for a long period of time. A visual inspection of the socket outlets on the lighting bars shows them to be in poor condition and in need of work. In view of the age of the installation and usage patterns over the last few years re-wiring of the system from dimmers to final socket outlets may be worthwhile with the introduction of a patch panel. This would have the added advantage of enabling readily available portable dimmers to be quickly installed at the Picture House in the case of failure of the existing installed dimmers.

(iii) Future Stage Requirements

These are roughly broken it down into 3 main areas: improving the lighting infrastructure, improving the sound infrastructure, and replacing the tabs, borders and stage masking. It is hoped that operational surpluses over the next three years will allow replacement of each of these items system by system, on a moderate spend basis since the stage is used far less frequently than the cinema operation.

## 8. FUNDING SOURCES

Analysis of the last three years of trading illustrate the Picture House can be self-financing with careful cost management.

### 8.1 Internal Sources

#### 8.1.1 Precept

Hebden Royd Town Council as a parish council is able to raise its own funds by charging a precept to the households of the parish. Once decided and minuted at full council this is administered by the principal authority and the monies received on 1st April each year. These funds are unrestricted, can be managed as council sees fit and do not have to be repaid.

2015/16 precept of £224,164.00 for the Parish of Hebden Royd, together with the sum of £7,143.00 being the District Council's proportion of Grants to Parish Councils and £30,030.00, the Council Tax Support Grant.

Similar to all organisations the Hebden Bridge Picture House can apply for funding directly from Hebden Royd Town Council for relevant projects and expenditure. Funds in relation to a new fire alarm and pager system have been requested in the 2015-16 financial year, and the outcome of the grant application is awaited.

#### 8.1.2 Public Works Loan Board

Hebden Royd Town Council as a parish council is able to apply to, following sanction from its regional association to the public works loan board, or indeed from any bank. No higher limit is set but is usually limited to a maximum of £500k in any single financial year. Usually granted for capital expenditure they offer attractive interest rates and repayment over a maximum of either 10 or 50 years. Loan values must be in excess of £5 per parish resident.

#### 8.1.3 Surplus funds

Hebden Royd Town Council does not maintain reserves, instead rolling forward any unspent budgets into the following year's finances. This is under review since the keeping of reserves is prudent when managing a business such as HBPH, and the use of a 'sinking' fund for retained reserves is now being considered.

### 8.2 External Sources

As mentioned previously in this document there are many opportunities for funding. This is highly competitive and requires resource investment and a fundraising strategy that is not currently in place.

#### 8.2.1 Heritage Lottery Fund (HLF)

The Picture House is listed as a grade II structure and this could lead the way to capital funding from the Heritage Lottery Fund (HLF). The Heritage Lottery Fund is the largest dedicated funder of heritage in the UK and is the leading advocate for the value in Heritage. Investing £375m per year they support the full breadth of heritage. HLF offer a range of different grant programmes with grants from £3,000 to over £5million. In assessing applications, HLF take account of the outcomes for heritage, people and communities that projects will achieve.

#### 8.2.2 The Arts Council (ACE)

The Arts Council invests in great art and culture for everyone. Between 2015 and 2018, they will invest £1.1 billion of public money from government and an estimated £700 million from the National Lottery to the arts. It is unclear whether the Picture House would qualify for any future funding from Arts Council England, given it is centred on cinema exhibition not live performance, and is local authority owned, and not a charity.

### 8.2.3 British Film Institute (BFI)

THE BFI award Lottery funding to film production, distribution, education, audience development and market intelligence and research.

The BFI Festival Fund is a key funder of the main festivals in the UK.

### 8.2.4 Film Hub North

Film Hub North is part of the BFI Film Audience Network (FAN). The ambition of Film Forever, the BFI's plan for 2012-17, is to encourage people to build a lifelong relationship with film, to help build audiences for a broader range of films across all platforms and ensure that film culture can be accessed and enjoyed by everyone across the UK.

Film Hub North is a good source of skills development training and funding for audience development projects. We have just been awarded a sum of money to develop a series of monthly transgressive and cult films ('Surreal Reels') to draw in new audience members from within the community and further afield. The first funded screening is the launch event in October 2015 – the Halloween Film Festival.

### 8.2.5 Trusts & Foundations

There are many grant giving Trusts & Foundations in the UK. Two examples are the Paul Hamlyn foundation and the Esme Fairbairn charitable trust that provide grants for programme development funding.

In the current economic climate, the approach to HLF, ACE, BFI and Trusts & Foundations is highly competitive and involves a high level of stakeholder engagement.

### 8.2.6 Friends of the Picture House

The Friends of the Picture House (FOPH) regularly hold fundraising events and donate time and resource for projects including painting and clean ups.

There is currently more than £2,500 in raised funds, awaiting the right project to invest in. The FOPH decide where the investment is spent in collaboration with the Manager.

### 8.2.7 Private and Corporate Sponsorship

The Picture House enjoys a lucrative contract with Pearl & Dean that is automated and linked directly via servers and requires very little resource.

The Picture House is very respected by local businesses and this is an area largely untapped. With recent engagement with local businesses on the displaying of monthly brochures, and the right strategy this could add a new revenue stream to the business.

### 8.2.8 High Net Worth Individuals

The Picture House maintains a large membership of which some may be possible Donors in the future for the right project.

### 8.2.9 Crowdfunding

Crowdfunding through vehicles like Kickstarter are becoming more and more popular to raise investment.

### 8.2.10 Local Authority – Calderdale Council

There are often funding pots made available for community organisations by Calderdale Council. The cinema was recently successful, raising £5,435 via two applications to its Staying Well campaign.

## **9. HEALTH & SAFETY**

Working in collaboration with Howarth's, Hebden Royd Town Council's Health & Safety Advisors, there has been a complete review of Health & Safety for the business and a Health & Safety Manual drawn up and available for all personnel to refer to.

### **9.1 Health & Safety Policy Statement**

This Health and Safety Policy Statement confirms that Hebden Royd Town Council recognises our duties and demonstrates the commitment of the Company to comply with current legislation and therefore maintain a safe and healthy working environment.

Senior Management are informed of their specific responsibilities to ensure they take all reasonable precautions in order to ensure the safety, health and welfare of those that are likely to be affected by the undertakings of our business, and therefore provide active management and supervision of health and safety at work.

Regular assessment of the hazards and risks created in the course of our business and our activities will be undertaken, enabling management to identify significant hazards and plan for their elimination, reduction and control, with regular reviews of such assessments. Adequate control of the health and safety risks identified will be provided, with regular monitoring undertaken to ensure the effective control. Where hazards exist these will be brought to the attention of those parties identified as at risk.

It is the intention of Hebden Royd Town Council through the evaluation, elimination, reduction and control of significant hazards to, so far as is reasonably practicable, prevent accidents and cases of work related ill health.

Hebden Royd Town Council also recognise our duty, so far as is reasonably practicable, to provide and maintain safe and healthy working conditions, the provision of safe plant and equipment and maintenance thereof, and ensure the safe handling and use of substances.

Our employees are provided with information, instruction and training where necessary, taking account of any who do not have English as a first language, to ensure their competency and safety during routine and unscheduled activities, and emergency arrangements.

In order to achieve our objectives and ensure our employees recognise their duties whilst at work, we also inform them of their duty to take reasonable care for themselves and for others who might be affected by their activities.

We also recognise our duty to co-operate and work with other employers when we work at premises or sites under their control, to ensure the continued health and safety of all those at work. Additionally, we recognise our duty to co-operate and work with other employers and their workers, when their workers come onto our premises or sites to undertake work for us.

In order to achieve our objectives and meet our legal duties we have access to competent advice.

Hebden Royd Town Council will actively seek continuous improvement in our health and safety performance and management through regular (at least annual or when appropriate) review and revision of this policy with any changes brought to the attention of all employees.

Sufficient resources and finance required will be provided in order to make this policy and our arrangements effective.

The following statutory records and best practices are in place and up to date:

- Employer's Liability Insurance Certificate displayed
- Current version of the Health and Safety Law Poster on display
- A Data Protection Act compliant Accident Book available within the workplace

- Accident investigations carried out as necessary
- Asbestos survey of premises carried out
- Fire alarm on a service and maintenance plan (serviced quarterly)
- Fire alarm weekly testing
- Emergency evacuations documented
- Fire extinguishers on a service and maintenance plan (serviced annually by Chubb)
- Fire extinguisher daily visual inspection
- Fire exits daily visual inspection
- Emergency lighting weekly visual inspection and testing
- Emergency lighting included in fire alarm service and maintenance plan
- Electrical Installation Condition Report
- Consultation takes place with employees with regard to health and safety through meetings, memoranda and notice boards
- Portable Appliance Testing
- Hazard reporting through internal documentation
- Contractor control and monitoring
- Formal induction of new employees recorded
- First Aid qualified persons in place and trained
- Adequate First Aid equipment available with periodic checks carried out
- Weekly Planned Maintenance Inspection recorded for all areas and fittings both internal and external

## **9.2 Fire Safety**

A specialist, Peter Copley, has conducted a new Fire Risk Assessment as the previous document had come to the end of its 5 year life. All staff have undergone Fire Marshall Training and the Fire Alarm system, in need of an upgrade, is currently being assessed as to the best way to improve fire detection within the building.

## **9.3 Review**

An action group including the Manager, the Town Clerk and a councillor have developed and are working through an Action Plan to review and update all Health & Safety in the business.

## **10. STAKEHOLDER ENGAGEMENT**

### **10.1 Introduction**

We are committed to excellence in our key stakeholder management and in our wider community.

The following section identifies our initial key priorities for our stakeholder management programme which is designed to ensure stakeholders receive what they require from their relationship with the Hebden Bridge Picture House.

### **10.2 Key priority activities**

#### **10.2.1 A robust and actively managed programme**

An initial analysis is recommended and that it is reviewed at least regularly to ensure the programme continues to attract the broadest possible demographic, from as large a geographical area as possible.

#### **10.2.2 People to be involved in the programme**

The programme management process will be co-ordinated by the Manager who will involve others such as the Friends of the Picture House, the Town Clerk, the Marketing Officer and members of the committee and core personnel as appropriate.

#### **10.2.3 Communication process**

For priority stakeholders, contact is likely to be a mix of face to face and digital communication.

### **10.3 Priority Groups**

Each of the following groups will have a bespoke programme of relationship management developed by the Manager, the Town Clerk, members of the committee and core personnel as appropriate.

#### **10.3.1 Audience**

Ensure a positive and constructive two way dialogue with the key customers of the Picture House – its audience by brochure, emails, survey and excellent customer service.

#### **10.3.2 Community Groups**

Pro-actively engage with local Community Groups, trading on the successful relationship with Riverside & Scout Road schools and the Hebden Bridge Arts Festival to increase community use of facilities.

#### **10.3.3 Business Clients and prospects**

To increase Corporate Hires, advertising and distribution of brochure via first class marketing.

#### **10.3.4 Hebden Royd Town Council**

To ensure the relationship between HRTC and HBPH is a productive and effective one via monthly meetings.

#### **10.3.5 Calderdale Metropolitan Borough Council**

To identify future funding opportunities via research and personal relationships.

#### **10.3.6 Key sponsors and other funders**

To ensure repeat investments and that required monitoring and reporting is delivered on time and to agreed quality standards.

#### **10.3.7 Committee and advisers**

To ensure good governance and that the future strength of the business has everyone's attention via regular meetings and an annual away day or workshop.

10.3.8 Friends of the Picture House

To ensure a pro-active Friends of the Picture House via regular meetings and communications and the launch of their monthly screening, volunteering and poster sales.

10.3.9 Key Suppliers

To ensure the business gets the service and quality it requires for effective operation (e.g. kiosk suppliers, health and safety equipment servicing, technical / digital servicing and the Independent Cinema Office)

10.3.10 Press and Media

From marketing strategy

10.3.11 Regulators (e.g. Charities Commission / Companies House) and Industry Bodies (e.g. Cinema Exhibition Association)

To ensure compliance

10.3.12 Regional advocates and influencers (e.g. Councillors and MPs)

To raise awareness of the Picture House and its ambition

## **11. RISK MANAGEMENT**

### **11.1 Introduction**

Any business whether moving forwards, backwards or standing still has elements of risk.

The purpose of this section is to summarise our approach to the management of the risks we believe we face.

### **11.2 Assessing risk – our process**

We have designed a risk assessment process appropriate to our business and undertook an initial analysis as part of the strategic planning process. The key features of our risk analysis process are as follows:

#### **11.2.1 Categorisation of risk**

We have divided the risks we face into the following key categories:

- Leadership and Management Risk
- Environmental Risk
- Commercial Risk
- Operational Risk
- Stakeholder and Financial Risk

#### **11.2.2 Assessment of Risk**

Each defined key risk within each category is then rated against the following criteria:

- Direction of travel of risk (increasing / decreasing / staying the same)
- Force
- Impact
- Probability
- Proximity
- 3 year financial impact

#### **11.2.3 Action Plan**

Finally each risk has identified for it:

- Action to mitigate the risk
- Who is responsible
- Review date
- Status

### **11.3 Managing risk moving forwards**

We are in the early stages of the new risk management process, but are committed to making it work.

The initial risk analysis will be monitored regularly by the Manager together with the Town Clerk and will be reported on specifically at each committee meeting.

The committee should conduct a major review of risk for the business at least annually.

### **11.4 Key Priority Risks identified**

The key risks prioritised for attention and action in Year 1 include the following:

11.4.1 Manager

Key risks around exposure to the Manager in case of resignation or incapacity, such as Key Person Insurance, and recruitment of a suitable Deputy / Assistant Manager, to allow the cascade of responsibilities down a hierarchy of suitably trained staff.

11.4.2 Resource Risk

Risk around enough resource to run the business successfully, reliably and safely. Recruitment of additional back-office staff, to support the Manager and other operational staff should be a priority.

11.4.3 Committee Policies and Procedures

General review and updating of any policies, such as the Hires and Booking Policy, should be undertaken by the committee as appropriate.

Skills gaps in the Management Committee and / or the Staffing Committee leading to lack of appropriate experience in order to support the day to day management of a seven day a week business.

11.4.4 Environmental Risk

Hebden Bridge is in a flood risk area, and the cinema flooded twice in 2012. Close co-operation with the Environment Agency and local flood wardens is continually maintained.

11.4.5 Commercial Risks

The business is at risk due to a weak negotiating position (as a single screen independent cinema) for rental of the product in the market place.

Ability to provide a suitable offer for commercial hires, due to the facilities within the building.

Problems with tenants / losing tenants.

11.4.6 Operational Risk

Management and delivery of key products – cinema exhibition, concessionary sales and hires

Unanticipated building problems

IT equipment / Data failure including projector failure

Ageing in house light and sound equipment on stage

Staff unavailability and sickness

11.4.7 Stakeholder and Financial Risk

Lack of working capital

Loss of key stakeholder, advertiser, sponsor or Friends of the Picture House support.

## Appendix 1 – Key Principles

Adopted initially by the Picture House Consortium, these have been endorsed by Hebden Royd Town Council. They underpin the plans for the Picture House.

1. The Picture House will remain a **public** building. Adequate mechanisms will be in place to ensure accountability and democratic control.

*The publicly elected make-up of Hebden Royd Town Council coupled with representation on the management board from the surrounding hilltop parishes, elected members of the 'Friends of the Picture House', and members of staff ensures accountability and the opportunity for all, both local and those from further afield to be involved in the future of the Picture House.*

2. The Picture House will seek to maintain **employment continuity** for staff based there.

*TUPE regulations will affect the transfer, all those classed as being part of the service will be transferred if they so wish. Staff will retain access to the West Yorkshire Pension Fund and benefit from NJC pay scales and allowances.*

3. The Picture House will be run on a **not-for-profit basis**, in the interest of the whole community.

*Surpluses generated will be retained for investment in the Picture House, the transparent nature of the Town Council's accounting reporting and auditing along with the Picture House Management Committee make up will ensure this.*

4. The Picture House will remain available for **community events**. Steps to be taken to increase its usage, especially during the day.

*Successful daytime showings, complemented by a developing education programme will allow greater use of the Picture House in the daytime. Community events are to be encouraged, however, the principle that the Picture House is primarily a cinema will not be forgotten.*

5. The Picture House will maintain its **current mix of programming** and keep its distinctive **ambience**.

*The existing programme has provided the momentum that the Picture House currently carries and it would be foolhardy to jeopardise this. Developing this programme, establishing a Hebden Bridge Film Festival and new screenings will strengthen the appeal of the Picture House.*

6. The Picture House will be **strengthened and developed** through longer-term strategic development planning.

*The initial Capital programme, making the Picture House future-proof was implemented swiftly following transfer. This process will allow Hebden Royd Town Council to further develop the business plan for the Picture House with the support of its many partners.*

## BUSINESS MODEL

## ORGANISATIONAL DEVELOPMENT

<p><b>Activities:</b> Cinema: £275k Live: £50k Rental: £15k Kiosk: £70k Members £7k Grants/donations £1k +Conferencing £5k</p> <p><b>Customers:</b> individuals incl. youth and working class families, more community groups +Loyalty package <b>Competition:</b> Halifax town cinema? Gigs, Elland, Burnley</p>	<p><b>Activities:</b> Cinema: £250k Live: £20k Rental: £15k Kiosk: £55k Members £5k Grants/donations £1k</p> <p><b>Customers:</b> individuals (middle-class middle aged) community groups <b>Competition:</b> Halifax town cinema? Gigs, Elland, Burnley</p>	<p><b>NOW end 2014</b></p> <p>Hebden Royd Town council has lease (125y) Hebden Royd Town Council ultimate employer and decision-maker Transient trustees (elected ones) 9 committee (includes Town Council majority+ Friends of representation) Picture This group Friends of group 10.5 FTE staff (incl. programmer) <b>Partners/networks:</b> schools, events</p>	<p><b>LATER end 2017</b></p> <p>Open box office (ahead of time for big shows?) Online payment facilities Committee same Same Staff + 0,5 management +0,5 admin + 0,5 casual (= approx. + £30k)</p> <p><b>New partners:</b> community groups, town hall and other venues, businesses</p> <p>A refurbished outside</p>
<p><b>Turnover:</b> £423k <b>Surplus:</b> £40k <b>Asset base:</b> £550k (Grant Investment external: £100k) <b>Reserves:</b> £60k unrestricted + £90k capital</p>	<p><b>Turnover:</b> £350k <b>Surplus:</b> £10k <b>Asset base:</b> £500k (Grant Investment Town Council: £100k) <b>Reserves:</b> £20k unrestricted + £30k capital</p>	<p>Local employment Affordable Cultural activity Local, on doorstep Socialising Pride and identity</p>	<p>All increased + Bursary system ~£5k Discounts for schools and individuals who can't afford regular cinema +Perhaps returning surplus to Town Council? (formula)</p>

## FINANCIAL RETURN

## SOCIAL RETURN